



United States Postal Service®

**Response to Independent Validation of
USPS Service Performance
Measurement Audit Design**

Audit Compliance Response

FY2021 Quarter 2

June 1, 2021

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I. Summary

This report presents the Response of the United States Postal Service (USPS) to the Independent Validation of USPS Service Performance Measurement (SPM) Audit Design for Quarter 2 (Q2) of fiscal year 2021 (FY21).

II. Mitigation Plan

USPS has evaluated the results of the Independent Validation of USPS SPM Audit Design for FY21 Q2 and has formulated mitigation plans for the seven measures that were partially achieved and the two measures that were not achieved. All other measures were achieved.

For FY21 Q2, several of the audit measures were impacted by the COVID-19 pandemic and related employee availability.

The subsequent sections describe, in further detail, the mitigation plans for measures 2, 5, 11, 19, 20, 23, 25, 26 and 27.

Measure 2: First Mile - Carrier sampling weekly compliance rates should consistently exceed 80 percent for most Districts.

Quarter 2 Result: Partially Achieved.

Mitigation Plan: In FY21 Q2, USPS completed phase two of the reorganization process which included consolidating 67 Districts into 50.

USPS continues to work towards First Mile compliance by continued collaborations during field leadership biweekly meetings. Informed Visibility (IV) was developed for all EAS employees as a tool to analyze the data to assist in identifying opportunities for improvement in SPM compliance performance. Through Informed Visibility, field management can access instructional videos on performing First Mile samplings, service talks, posters, and instructions on how to obtain training materials. USPS will continue its strategic focus by driving First Mile performance through the following:

- Regular biweekly cadence meetings with field leadership
- Sharing best practices for SPM compliance performance
- Requiring quarterly SPM training for the top 50 opportunity employees in each Area

Measure 5: First Mile - Carrier sampling weekly compliance rates should consistently exceed 80 percent for most Districts.

Quarter 2 Result: Partially Achieved.

Mitigation Plan: USPS completed the second phase of the reorganization structure which reduced 67 Districts into 50.

All instructional videos on performing First Mile sampling, service talks, posters, and training materials are made readily available through IV. Field management can review compliance reports to identify areas of opportunity and address employees who demonstrate non-compliant behavior. USPS will continue to drive First Mile performance through required training and biweekly touchpoints moving through FY21 Q3.

Measure 11: Last Mile – Most Districts should have a limited volume for which imputed results are used within the Quarter.

Quarter 2 Result: Not Achieved.

Mitigation Plan:

First-Class flats volume in the network during Quarter 2 was below baseline, likely due to continuing impacts from the COVID-19 pandemic. Obtaining sufficient volume to avoid imputation was not possible.

Forty-one Districts required the use of imputation rates due to limited First-Class flats volume. As volumes return to pre-COVID-19 levels, it is expected that fewer Districts will have the need for imputed data. USPS anticipates that this audit measure will remain difficult to achieve until volumes return to normal levels.

Measure 19: First Mile - Most response rates should exceed 80% at a District level.

Quarter 2 Result: Partially Achieved.

Mitigation Plan: During FY21 Q2, USPS completed phase two of the new District restructure whereas 67 Districts were reduced to 50.

USPS has continued regular cadence and collaborations with field management through biweekly touchpoints with strategic focus on analyzing the data from Informed Visibility. During these touchpoints, the Postal Service is committed to driving performance by having Areas share their best practices from top performing Districts. In addition, Standard Work Instructions (SWI) will continue to be posted and maintained on communication boards in all retail and delivery units.

The Postal Service will continue to focus on required training for all new employees and identify opportunity employees to improve and meet acceptable thresholds at a 3-digit level.

Measure 20: First Mile - Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for Districts with poor coverage.

Quarter 2 Result: Partially Achieved.

Mitigation Plan: In Quarter 2, USPS finalized phase two of the reorganizational structure by consolidating 67 Districts into 50.

A joint task force subcommittee has been created with postal, union and management association representatives to work collaboratively on improving service performance. This task force is currently focused on seven major cities nationwide. In addition, the Postal Service will continue collaborations during biweekly touchpoints with field management to strategically focus on analyzing the data from the sampling dashboard.

USPS is committed to driving First Mile performance by ensuring that best practices shared by Areas from top performing Districts are utilized in opportunity sites. In addition, Standard Work Instructions (SWI) will continue to be posted and maintained on communication boards in all retail and delivery units.

The Postal Service will continue to focus on training all new employees and identify opportunity employees to improve performance and meet acceptable thresholds at a 3-digit level.

Measure 23: Processing Duration – At least 70% of the volume is measured for each product.

Quarter 2 Result: Not Achieved.

Mitigation Plan: USPS continues to work towards increasing the volume of mail in measurement for each mail product. USPS has comprehensive efforts across Headquarters (HQ), Field Operations (Areas and Districts), and Mail Entry as follows:

- Collaboration between the HQ SPM team and Field Operations to reduce the amount of mail that falls out of measurement due to lack of Start-the-Clock events.
- Review of the business rules for each exclusion reason to reduce the percentage of mail being excluded.
- Development of resolutions for each exclusion reason to reduce the percentage of mail being excluded.

- Utilization of the automated service performance measurement exclusions dashboard in IV by the Area and District Field Operations to identify ways to reduce the volume of mail that is excluded from measurement.
- Continued collaboration between the HQ SPM team and the Mailer Technical Advisory Council workgroup to reduce volume excluded from service performance measurement. This workgroup is developing an external tool for the industry, so that mailers can have visibility on their mail that is being excluded and have the means to work with USPS to resolve identified issues causing the exclusions.

The characteristics and make-up of the High Density and Saturation Flats Destination Entry Two-Day product continue to present a challenge to the measure of its service performance because this product is non-Full-Service. USPS uses a different methodology to measure the service performance of this product because this is a non-Full-Service product. As part of this methodology, USPS measures only one major mailer for the High Density and Saturation Flats Destination Entry Two-Day product, which is the reason for less than 70% of volume in measurement.

The characteristics and make-up of Bound Printed Matter (BPM) flats mail continue to present a challenge when BPM is processed through flats sorter machines. When this occurs, the mail may be manually sorted to the 5-digit level and, therefore, lacks visibility because it was not scanned using mechanized equipment. To mitigate this issue, HQ continues to work with the Area coordinators to develop processes that will enable increased visibility for BPM when it is manually sorted.

Measure 25: Last Mile - Most response rates should exceed 80% at a District level.

Quarter 2 Result: Partially Achieved.

Mitigation Plan: In FY21 Q2, USPS completed phase two of the reorganization process, which included consolidating 67 Districts into 50.

In Quarter 2, USPS continued to measure Last Mile compliance rates and drive performance through SPM compliance. Best practices were shared by each Area, during biweekly touchpoints with field management, on improving service performance measurement scores. Along with the new joint task force addressing Last Mile performance, USPS will continue to emphasize focus on SPM training for all employees. This required training will help drive improvements in the overall Last Mile score.

Measure 26: Last Mile - Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for Districts with poor coverage.

Quarter 2 Result: Partially Achieved.

Mitigation Plan: In FY21 Q2, USPS completed phase two of the reorganization process which included consolidating 67 Districts into 50. The Postal Service created a joint task force with management and Union partners to assist in addressing Last Mile performance. The organization will continue its regular cadence during biweekly touchpoints with strategic focus on analyzing the data from the sampling dashboard. During these touchpoints, the Postal Service is committed to driving performance by ensuring that best practices from top performing Districts are shared with opportunity sites.

In addition, the Postal Service will continue to focus on required training for all new employees and identify opportunity employees to improve performance and meet acceptable thresholds at a 3-digit level.

Measure 27: Reporting/Processing Duration – Most processing facilities utilize the sort plan on at least 80% of the days in the Quarter.

Quarter 2 Result: Partially Achieved.

Mitigation Plan: Three of the five International Service Center (ISC) facilities (60%) achieved the 80% target for FY21 Quarter 2. Investigation into the two ISCs that failed to meet the target revealed the following:

At one of the two ISCs, international letters were not consistently released from Customs and Border Protection (CBP) review every day. Coordination between CBP operations located at the ISC and the partner USPS Processing & Distribution Center (P&DC) will help to better ensure that all letters available are released from Customs each day and processed at the P&DC. This issue was remedied part way through Quarter 2, and the ISC is on track to be above 80% for Quarter 3.

At the other ISC, international letters were being processed on domestic origin mail sort program operations, which resulted in low utilization of the international Operation 848 sort program. This issue was corrected in February and is being monitored daily for compliance; the ISC is on track to be above 80% for Quarter 3.